

TOWN OF CLINTON, LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2009



East Feliciana Parish Courthouse  
Circa 1840

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/28/10

**TOWN OF CLINTON, LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009**

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## **BASIC FINANCIAL STATEMENTS**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

The Honorable Don H. Reason, Sr., Mayor  
and Members of the Board of Alderpersons  
Town of Clinton, Louisiana  
P. O. Box 513  
Clinton, Louisiana 70722

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds and the aggregate remaining fund information of the Town of Clinton, Louisiana as of and for the year then ended December 31, 2009, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the Town of Clinton, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

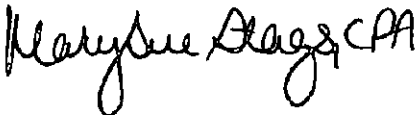
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, major funds and the aggregate remaining fund information of the Town of Clinton, Louisiana as of December 31, 2009, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Town of Clinton, Louisiana's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2010, on our consideration of the Town of Clinton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
May 6, 2010

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 1 OF 2)**

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**TOWN OF CLINTON  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

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As management of the Town of Clinton, Louisiana (here after referred to as the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the two years ended December 31, 2009. The emphasis of discussions about these statements will be on current year data and should be read in conjunction with the financial report as a whole.

**ACCOMPLISHMENTS OVER THE PAST YEAR**

- ◆ Assets exceeded liabilities by \$4,296,341 at December 31, 2009
- ◆ Overall, revenues exceeded expenditures by \$31,028
- ◆ The Town was able to secure \$267,413 in grants and other contributions in order to cover expenses related to hurricane clean-up as well as capital improvements

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. They are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.



**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, economic development and culture and recreation. The business-type activities of the Town include water, gas and sewer services.

The government-wide financial statements can be found on pages 13-15 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the street and sidewalks fund, both of which are considered to be major funds. While not required, court fees received for use by the police department and expenditures from these fees are included separately under special court costs. Separate reporting provides the Town with more efficient management over this revenue source.

The Town adopts an annual budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The governmental funds financial statements can be found on pages 17-21 of this report.

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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**Proprietary funds.** The Town maintains only one type of proprietary fund – enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its utilities (water, gas and sewer). Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary funds financial statements can be found on pages 22-26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. An index to the notes to the financial statements can be found on page 28 with actual notes immediately following.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its major governmental funds. The required supplemental information can be found on pages 43-44 of this report with other supplementary information following.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$4,265,313 at the close of 2009, \$1,934,319 from governmental activities and \$2,330,994 from business-type activities.

The following is a summary of the Town's net assets:

|                          | <b>Summary of Net Assets<br/>Governmental Activities</b> |                         |
|--------------------------|--|-------------------------|
|                          | <u>2009</u>  | <u>2008</u>             |
| <b>ASSETS</b>            |  |                         |
| Current and other assets | \$ 424,822.01  | \$ 367,191.79           |
| Restricted assets        | 199,168.53   | 175,169.90              |
| Capital assets, net      | <u>1,523,170.16</u>                                      | <u>1,568,808.19</u>     |
| <br>Total Assets         | <br><u>2,147,160.70</u>                                  | <br><u>2,111,169.88</u> |
| <br><b>LIABILITIES</b>   |  |                         |
| Current liabilities      | 132,317.46   | 176,851.35              |

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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**NET ASSETS**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Investment in capital assets,<br>net of related debt | 1,523,170.16            | 1,530,335.84            |
| Restricted   | 777,918.18              | 811,660.73              |
| Unrestricted   | <u>(286,245.10)</u>     | <u>(407,678.04)</u>     |
| <br>Total Net Assets                                 | <br><u>2,014,843.24</u> | <br><u>1,934,318.53</u> |

**Summary of Net Assets  
Business-type Activities**

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current and other assets                             | \$ 317,988.42       | \$ 255,093.19       |
| Restricted assets                                    | 22,261.59           | 28,586.75           |
| Capital assets, net                                  | <u>2,015,797.15</u> | <u>2,131,659.50</u> |
| <br>Total Assets                                     | <br>2,356,047.16    | <br>2,415,339.44    |
| <br><b>LIABILITIES</b>                               |                     |                     |
| Current liabilities                                  | 74,549.29           | 84,345.31           |
| <br><b>NET ASSETS</b>                                |                     |                     |
| Investment in capital assets,<br>net of related debt | 2,015,797.15        | 2,131,659.50        |
| Restricted   | 22,261.59           | 28,586.75           |
| Unrestricted   | <u>243,439.13</u>   | <u>170,747.88</u>   |
| Total Net Assets                                     | <u>2,281,497.87</u> | <u>2,330,994.13</u> |

By far the largest portion of the Town's net assets reflects its investment in capital assets (e.g. land, buildings, improvements, streets and bridges, equipment, vehicles, utility systems and furniture and fixtures), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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An additional portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. It is the remaining balance of net assets, considered unrestricted, that may be used to meet the government's on-going obligations to citizens and creditors. At December 31, 2009, the Town had a combined unrestricted deficit of \$102,945. The Finance Committee is working closely with the Town's accountants to monitor its cash flows and to work within a budget that will continue to produce positive changes in net assets in the future.

A summary of changes in net assets follows.

|                               | <b>Summary of Changes in Net Assets<br/>Governmental Activities</b> |                     |
|-------------------------------|---|---------------------|
|                               | <u>2009</u>   | <u>2008</u>         |
| <b>REVENUES</b>               |   |                     |
| Charges for services          | \$ 77,523.03  | \$ 64,749.27        |
| Grants and Contributions:     |   |                     |
| Operating                     | 67,059.86   | 27,144.01           |
| Capital                       | 34,257.50   | 35,000.00           |
| General Revenues:             |   |                     |
| Licenses and permits          | 114,715.06  | 108,058.67          |
| Franchise fees                | 99,078.76   | 131,290.85          |
| Taxes                         | 493,727.18  | 451,362.14          |
| Interest earned               | 3,295.00  | 10,791.06           |
| Other revenues                | 10,291.84   | 36,475.42           |
| Total Revenues                | <u>721,107.84</u>   | <u>864,871.42</u>   |
| <b>EXPENSES</b>               |   |                     |
| General government            | 159,034.81  | 194,401.66          |
| Public safety                 | 466,595.47  | 474,991.31          |
| Public works                  | 193,793.24  | 183,883.38          |
| Interest on long-term debt    | .00   | 293.77              |
| Total Expenses                | <u>819,423.52</u>   | <u>853,570.12</u>   |
| Change in Net Assets          | 80,524.71   | 11,301.30           |
| Net Assets, beginning of year | 1,934,318.53  | 1,933,017.23        |
| Adjustments to prior period   | <u>.00</u>  | <u>(10,000.00)</u>  |
| Net Assets, end of year       | <u>2,014,843.24</u>   | <u>1,934,318.53</u> |

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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**Summary of Changes in Net Assets  
Business-type Activities**

|                                   | <u>2009</u>         | <u>2008</u>         |
|-----------------------------------|---------------------|---------------------|
| REVENUES                          |                     |                     |
| Charges for services              | \$ 745,778.23       | \$ 816,838.63       |
| Grants and contributions          | 166,095.47          | 48,309.32           |
| Other revenues, net               | <u>17,096.35</u>    | <u>23,755.01</u>    |
| Total Revenues                    | 928,970.05          | 888,902.96          |
| <br>EXPENSES                      |                     |                     |
| Gas services                      | 413,294.02          | 535,749.40          |
| Water services                    | 324,154.74          | 141,560.02          |
| Sewer services                    | <u>241,017.55</u>   | <u>253,847.55</u>   |
| Total Expenses                    | <u>978,466.31</u>   | <u>931,156.97</u>   |
| <br>Change in Net Assets          | (49,496.26)         | (42,254.01)         |
| <br>Net Assets, beginning of year | <u>2,330,994.13</u> | <u>2,373,248.14</u> |
| <br>Net Assets, end of year       | <u>2,281,497.87</u> | <u>2,330,994.13</u> |

**BUDGETARY HIGHLIGHTS**

Revenues for the general fund were \$33,699 greater than anticipated. Revenues of the special revenue fund, on the other hand, were \$3,592 or 2% less than expected. Expenditures for the general fund were \$19,212 less than budgeted amounts resulting in a favorable overall variance of \$52,911 for the change in fund balances. The special revenue fund expended \$39,295 less than it budgeted leaving that fund with a positive overall variance of \$35,703.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$3,599,107 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, streets and sidewalks, equipment vehicles, utility systems and furniture and fixtures

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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Capital assets are detailed in the following table.

**Summary of Capital Assets  
(net of depreciation)**

|                        | Governmental<br>Activities |                     |
|------------------------|----------------------------|---------------------|
|                        | <u>2009</u>                | <u>2008</u>         |
| Land                   | \$ 1,000.00                | \$ 1,000.00         |
| Buildings              | 146,262.51                 | 151,295.51          |
| Infrastructure         | 1,251,093.48               | 1,296,835.79        |
| Equipment              | 45,766.23                  | 62,788.29           |
| Vehicles               | 79,007.62                  | 55,965.52           |
| Furniture and fixtures | <u>40.32</u>               | <u>195.08</u>       |
| Net Capital Assets     | <u>1,523,170.16</u>        | <u>1,568,080.19</u> |

|                    | Business-Type<br>Activities |                     |
|--------------------|-----------------------------|---------------------|
|                    | <u>2009</u>                 | <u>2008</u>         |
| Land               | \$ 11,970.00                | \$ 11,970.00        |
| Buildings          | 101,800.97                  | 106,283.87          |
| Equipment          | 16,809.53                   | 22,252.76           |
| Vehicles           | 4,104.16                    | 5,948.08            |
| Utilities          | <u>1,881,112.49</u>         | <u>1,985,204.79</u> |
| Net Capital Assets | <u>2,015,797.15</u>         | <u>2,131,659.50</u> |

Capital asset events during the past year included the following:

- new police units fully equipped, at a cost of \$34,649

**Debt Administration.** At the end of the current year, the Town had no long-term debt.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town is proud that it is now debt-free. There are no new long-term obligations anticipated. The Town will continue to seek grants and other contributions to fund its capital improvements.

The Town will also continue to closely monitor its expenses to ensure that they are kept below the revenue sources for each year.

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
DECEMBER 31, 2009**

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**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Andrea Adams at Town Hall, 11209 Bank Street, Clinton, La. 70722, (225) 683-5531.

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**TOWN OF CLINTON, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

|                                  | <u>Governmental</u><br><u>Activities</u> | <u>Business-type</u><br><u>Activities</u> | <u>Total</u>  |
|----------------------------------|--|---|---------------|
| <u>ASSETS</u>                    |  |   |               |
| Cash and cash equivalents        | \$ 197,741.81                            | \$ 205,794.92                             | \$ 403,536.73 |
| Prepaid expenses                 | 1,849.00                                 | -   | 1,849.00      |
| Receivables, net                 | 106,275.49                               | 112,193.50                                | 218,468.99    |
| Due from other gov't. agencies   | 1,292.75                                 | -   | 1,292.75      |
| Due from other funds             | 117,662.96                               | -   | 117,662.96    |
| Restricted assets:               |  |   |               |
| Cash and cash equivalents        | 109,545.77                               | 22,261.59                                 | 131,807.36    |
| Investments                      | 89,622.76                                | -   | 89,622.76     |
| Capital assets, net              | 1,523,170.16                             | 2,015,797.15                              | 3,538,967.31  |
|                                  | <hr/>                                    |   |               |
| Total Assets                     | 2,147,160.70                             | 2,356,047.16                              | 4,503,207.86  |
| <br><u>LIABILITIES</u>           |  |   |               |
| Accounts payable                 | 7,584.48                                 | 49,889.30                                 | 57,473.78     |
| Payroll related payables         | 1,716.08                                 | 948.85                                    | 2,664.93      |
| Due to other funds               | 116,213.41                               | 1,449.55                                  | 117,662.96    |
| Payables from restricted assets: |  |   |               |
| Accounts payable                 | 6,803.49                                 | -   | 6,803.49      |
| Customer deposits                | -  | 22,261.59                                 | 22,261.59     |
|                                  | <hr/>                                    |   |               |
| Total Liabilities                | 132,317.46                               | 74,549.29                                 | 206,866.75    |
|                                  | <hr/>                                    |   |               |

Continued

**TOWN OF CLINTON, LOUISIANA**  
**STATEMENT OF NET ASSETS (Continued)**  
**DECEMBER 31, 2009**

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|   | <u>Governmental</u><br><u>Activities</u> | <u>Business-type</u><br><u>Activities</u> | <u>Total</u>    |
|---|--|---|-----------------|
| <u>NET ASSETS</u>                               |  |   |                 |
| Invested in capital assets, net of related debt | \$ 1,523,170.16                          | \$ 2,015,797.15                           | \$ 3,538,967.31 |
| Restricted for:                                 |  |   |                 |
| Customer deposits                               | -  | 22,261.59                                 | 22,261.59       |
| Streets and sidewalks                           | 780,410.70                               | -   | 780,410.70      |
| Public safety                                   | (2,492.52)                               | -   | (2,492.52)      |
| Unrestricted                                    | (286,245.10)                             | 243,439.13                                | (42,805.97)     |
|   |  |   | <hr/>           |
| Total Net Assets                                | 2,014,843.24                             | 2,281,497.87                              | 4,296,341.11    |
|   |  |   | <hr/>           |

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

| Functions/Programs                    | Program Revenues |                      |                                    | Net Revenues (Expenses)          |                         |                          |
|---------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|
|                                       | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities |
| <b>Governmental Activities</b>        |                  |                      |                                    |                                  |                         |                          |
| General government                    | \$ 159,034.81    | \$ -                 | \$ 67,059.86                       | \$ -                             | \$ (91,974.95)          | \$ -                     |
| Public safety                         | 466,595.47       | 75,323.03            | -                                  | -                                | (391,272.44)            | -                        |
| Public works                          | 193,793.24       | 2,200.00             | -                                  | 34,257.50                        | (157,335.74)            | -                        |
| Total Governmental Activities         | 819,423.52       | 77,523.03            | 67,059.86                          | 34,257.50                        | (640,583.13)            | -                        |
| <b>Business-type Activities</b>       |                  |                      |                                    |                                  |                         |                          |
| Gas services                          | 413,294.02       | 372,451.39           | -                                  | -                                | (40,842.63)             | (40,842.63)              |
| Water services                        | 324,154.74       | 210,027.72           | 166,095.47                         | -                                | -                       | 51,968.45                |
| Sewer services                        | 241,017.55       | 163,299.12           | -                                  | -                                | -                       | (77,718.43)              |
| Total Business-type Activities        | 978,466.31       | 745,778.23           | 166,095.47                         | -                                | (66,592.61)             | (66,592.61)              |
| Total Primary Government              | 1,797,889.83     | 823,301.26           | 233,155.33                         | 34,257.50                        | (640,583.13)            | (66,592.61)              |
|                                       |                  |                      |                                    |                                  |                         |                          |
| <b>General Revenues and Transfers</b> |                  |                      |                                    |                                  |                         |                          |
| Licenses and permits                  |                  |                      |                                    |                                  | 114,715.06              | -                        |
| Franchise fees                        |                  |                      |                                    |                                  | 99,078.76               | -                        |
| Taxes                                 |                  |                      |                                    |                                  | 493,727.18              | -                        |
| Interest earned                       |                  |                      |                                    |                                  | 3,295.00                | -                        |
| Other revenues                        |                  |                      |                                    |                                  | 10,291.84               | 17,096.35                |
| Total General Revenues and Transfers  |                  |                      |                                    |                                  | 721,107.84              | 17,096.35                |
|                                       |                  |                      |                                    |                                  |                         |                          |
| Change in Net Assets                  |                  |                      |                                    |                                  | 80,524.71               | (49,496.26)              |
| Net Assets, beginning                 |                  |                      |                                    |                                  | 1,934,318.53            | 2,330,994.13             |
| Net Assets, ending                    |                  |                      |                                    |                                  | 2,014,843.24            | 2,281,497.87             |

See Accompanying Notes and Auditors' Report

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## **FUND FINANCIAL STATEMENTS**

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**TOWN OF CLINTON, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

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|                                | <u>General</u>    | <u>Streets and<br/>Sidewalks</u> | <u>Special<br/>Court Costs</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------|-------------------|----------------------------------|--------------------------------|---|
| <u>ASSETS</u>                  |                   |                                  |                                |   |
| Cash and cash equivalents      | \$ 197,741.81     | \$ -                             | \$ -                           | \$ 197,741.81                           |
| Prepaid expenses               | -                 | 1,849.00                         | -                              | 1,849.00                                |
| Receivables, net:              |                   |                                  |                                |   |
| Franchise fees                 | 29,758.34         | -                                | -                              | 29,758.34                               |
| Property taxes                 | 29,128.48         | -                                | -                              | 29,128.48                               |
| Sales taxes                    | 22,628.31         | 24,130.85                        | -                              | 46,759.16                               |
| Accrued interest               | -                 | 629.51                           | -                              | 629.51                                  |
| Due from other gov't. agencies | 1,292.75          | -                                | -                              | 1,292.75                                |
| Due from other funds           | 72.41             | 117,590.55                       | -                              | 117,662.96                              |
| Restricted assets:             |                   |                                  |                                |   |
| Cash and cash equivalents      | -                 | 109,545.77                       | -                              | 109,545.77                              |
| Investments                    | -                 | 89,622.76                        | -                              | 89,622.76                               |
| <b>TOTAL ASSETS</b>            | <b>280,622.10</b> | <b>343,368.44</b>                | <b>-</b>                       | <b>623,990.54</b>                       |

LIABILITIES AND FUND BALANCES

|                          |                   |                 |                 |                   |
|--------------------------|-------------------|-----------------|-----------------|-------------------|
| <u>Liabilities</u>       |                   |                 |                 |                   |
| Accounts payable         | 4,952.44          | 6,803.49        | 2,632.04        | 14,387.97         |
| Payroll related payables | 1,514.37          | 201.71          | -               | 1,716.08          |
| Due to other funds       | 116,213.41        | -               | -               | 116,213.41        |
| <b>Total Liabilities</b> | <b>122,680.22</b> | <b>7,005.20</b> | <b>2,632.04</b> | <b>132,317.46</b> |

Continued

**TOWN OF CLINTON, LOUISIANA**  
**BALANCE SHEET (Continued)**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

---

|  | <u>General</u> | <u>Streets and<br/>Sidewalks</u> | <u>Special<br/>Court Costs</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------|----------------------------------|--------------------------------|---|
| Fund Balances                          |                |                                  |                                |   |
| Reserved for:                          |                |                                  |                                |   |
| Streets and sidewalks                  | \$ -           | \$ 336,363.24                    | \$ -                           | \$ 336,363.24                           |
| Public safety                          | -              | -                                | (2,632.04)                     | (2,632.04)                              |
| Unreserved, undesignated               | 157,941.88     | -                                | -                              | 157,941.88                              |
|  | <hr/>          |                                  |                                |   |
| Total Fund Balances                    | 157,941.88     | 336,363.24                       | (2,632.04)                     | 491,673.08                              |
|  | <hr/>          |                                  |                                |   |
| TOTAL LIABILITIES AND<br>FUND BALANCES | 280,622.10     | 343,368.44                       | -                              | 623,990.54                              |
|  | <hr/>          |                                  |                                |   |

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

---

|  |               |
|--|---------------|
| Total Fund Balances - Total Governmental Funds | \$ 491,673.08 |
|--|---------------|

Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not  
current financial resources and, therefore, are not  
reported in the Governmental Funds Balance Sheet.

|                     |
|---------------------|
| <u>1,523,170.16</u> |
|---------------------|

|   |
|---|
| Total Net Assets of Governmental Activities |
|---|

|                            |
|----------------------------|
| <u><u>2,014,843.24</u></u> |
|----------------------------|

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2009**

|                             | <u>General</u> | <u>Streets and<br/>Sidewalks</u> | <u>Special<br/>Court Costs</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-----------------------------|----------------|----------------------------------|--------------------------------|---|
| <b><u>REVENUES</u></b>      |                |                                  |                                |   |
| Fines and other court costs | \$ 37,393.05   | \$ -                             | \$ 4,410.00                    | \$ 41,803.05                            |
| Franchise fees              | 99,078.76      | -                                | -                              | 99,078.76                               |
| Grants and donations        | 67,059.86      | 34,257.50                        | -                              | 101,317.36                              |
| Interest                    | 186.39         | 3,108.61                         | -                              | 3,295.00                                |
| Intergovernmental revenues  | 251.00         | 2,200.00                         | -                              | 2,451.00                                |
| Licenses and permits        | 114,715.06     | -                                | -                              | 114,715.06                              |
| Motor vehicle fees          | 15,320.00      | -                                | -                              | 15,320.00                               |
| Other revenues              | 28,240.82      | -                                | -                              | 28,240.82                               |
| Taxes - beer                | 4,731.70       | -                                | -                              | 4,731.70                                |
| Taxes - property            | 205,280.42     | -                                | -                              | 205,280.42                              |
| Taxes - sales               | 126,861.89     | 156,853.17                       | -                              | 283,715.06                              |
| Total Revenues              | 699,118.95     | 196,419.28                       | 4,410.00                       | 899,948.23                              |
| <b><u>EXPENDITURES</u></b>  |                |                                  |                                |   |
| General government          | 156,351.64     | -                                | -                              | 156,351.64                              |
| Public safety:              |                |                                  |                                |   |
| Police                      | 439,020.67     | -                                | 9,030.81                       | 448,051.48                              |
| Fire                        | 1,650.00       | -                                | -                              | 1,650.00                                |
| Public works                | -              | 133,811.37                       | -                              | 133,811.37                              |
| Capital outlay              | 34,649.00      | -                                | -                              | 34,649.00                               |
| Total Expenditures          | 631,671.31     | 133,811.37                       | 9,030.81                       | 774,513.49                              |
| Change in Fund Balances     | 67,447.64      | 62,607.91                        | (4,620.81)                     | 125,434.74                              |
| Fund Balances, beginning    | 90,494.24      | 273,755.33                       | 1,988.77                       | 366,238.34                              |
| Fund Balances, ending       | 157,941.88     | 336,363.24                       | (2,632.04)                     | 491,673.08                              |

See Accompanying Notes and Auditors' Report



**TOWN OF CLINTON, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

---

|  |               |
|--|---------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 125,434.74 |
|--|---------------|

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which depreciation  
charged differed from capital outlay in the current period.

|                    |
|--------------------|
| <u>(44,910.03)</u> |
|--------------------|

|   |                         |
|---|-------------------------|
| Change in Net Assets of Governmental Activities | <u><u>80,524.71</u></u> |
|---|-------------------------|

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2009**

---

|                                | <u>Enterprise Funds</u><br><u>Utility</u> |
|--------------------------------|---|
| <b><u>ASSETS</u></b>           |   |
| Current Assets                 |   |
| Cash and cash equivalents      | \$ 205,794.92                             |
| Receivables, net               | 71,719.66                                 |
| Unbilled receivables           | <u>40,473.84</u>                          |
| Total Current Assets           | 317,988.42                                |
| Restricted Assets              |   |
| Cash and cash equivalents      | <u>22,261.59</u>                          |
| Total Restricted Assets        | 22,261.59                                 |
| Capital Assets                 |   |
| Land                           | 11,970.00                                 |
| Buildings                      | 150,545.70                                |
| Equipment                      | 74,933.56                                 |
| Vehicles                       | 23,808.50                                 |
| Gas system                     | 1,629,985.52                              |
| Water system                   | 976,112.56                                |
| Sewer system                   | 2,123,550.20                              |
| Less: Accumulated depreciation | <u>2,975,108.89</u>                       |
| Net Capital Assets             | <u>2,015,797.15</u>                       |
| <b>TOTAL ASSETS</b>            | <b><u><u>2,356,047.16</u></u></b>         |

Continued

**TOWN OF CLINTON, LOUISIANA**  
**STATEMENT OF NET ASSETS (Continued)**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2009**

---

|  | <u>Enterprise Funds</u><br><u>Utility</u> |
|--|---|
| <b><u>LIABILITIES AND NET ASSETS</u></b>                     |   |
| Current Liabilities  |   |
| Payable from current assets:                                 |   |
| Accounts payable   | \$ 49,889.30                              |
| Payroll related payables                                     | 948.85                                    |
| Due to other funds   | <u>1,449.55</u>                           |
| Total Current Liabilities,<br>Payable from Current Assets    | 52,287.70                                 |
| Payable from restricted assets:                              |   |
| Customer deposits  | <u>22,261.59</u>                          |
| Total Current Liabilities,<br>Payable from Restricted Assets | <u>22,261.59</u>                          |
| Total Current Liabilities/Total Liabilities                  | 74,549.29                                 |
| Net Assets   |   |
| Invested in capital assets, net of related debt              | 2,015,797.15                              |
| Restricted for customer deposits                             | 22,261.59                                 |
| Unrestricted   | <u>243,439.13</u>                         |
| Total Net Assets   | <u>2,281,497.87</u>                       |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                      | <b><u><u>2,356,047.16</u></u></b>         |

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

|   | Enterprise Funds |               |
|---|------------------|---------------|
|   | <u>Utility</u>   |               |
|   | <u>2009</u>      | <u>2008</u>   |
| <b><u>OPERATING REVENUES</u></b>                |                  |               |
| Gas sales and service                           | \$ 372,451.39    | \$ 449,974.66 |
| Water sales and service                         | 210,027.72       | 205,719.43    |
| Sewer sales and service                         | 163,299.12       | 161,144.54    |
| Late fees/penalties                             | 11,675.37        | 12,115.35     |
| Total Operating Revenues                        | 757,453.60       | 828,953.98    |
| <b><u>OPERATING EXPENSES</u></b>                |                  |               |
| Personal services                               | 552,762.17       | 519,975.87    |
| Employee and related expenses                   | 255,447.51       | 210,259.37    |
| Occupancy                                       | 33,105.35        | 34,839.85     |
| Administrative                                  | 21,288.93        | 20,351.90     |
| Depreciation                                    | 115,862.35       | 145,730.15    |
| Total Operating Expenses                        | 978,466.31       | 931,157.14    |
| Operating Loss                                  | (221,012.71)     | (102,203.16)  |
| <b><u>NON-OPERATING REVENUES (EXPENSES)</u></b> |                  |               |
| Grants and donations                            | 166,095.47       | 48,309.49     |
| Other revenues                                  | 5,420.98         | 11,659.95     |
| Interest paid                                   | -                | (20.29)       |
| Total Non-Operating Revenues (Expenses)         | 171,516.45       | 59,949.15     |
| Change in Net Assets                            | (49,496.26)      | (42,254.01)   |
| Total Net Assets, beginning                     | 2,330,994.13     | 2,373,248.14  |
| Total Net Assets, ending                        | 2,281,497.87     | 2,330,994.13  |

See Accompanying Notes and Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

|   | Enterprise Funds |               |
|---|------------------|---------------|
|   | Utility          |               |
|   | 2009             | 2008          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                  |               |
| Cash received from customers  | \$ 765,066.61    | \$ 840,190.06 |
| Cash paid to employees for services   | (255,928.87)     | (210,885.35)  |
| Cash paid to suppliers for goods and services                               | (611,523.09)     | (563,820.81)  |
| Net Cash Provided by (Used for) Operating Activities                        | (102,385.35)     | 65,483.90     |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                     |                  |               |
| Loans/repayments made to/from other funds                                   | 3,182.52         | (14,759.89)   |
| Net Cash Provided by (Used for)<br>Non-Capital Financing Activities         | 3,182.52         | (14,759.89)   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>         |                  |               |
| Acquisition of capital assets   | -                | (19,499.15)   |
| Principal payments on loans   | -                | (4,058.89)    |
| Interest paid on loans and bonds  | -                | (20.29)       |
| Proceeds from non-operating sources   | 219,825.91       | 11,659.95     |
| Net Cash Provided by (Used for)<br>Capital and Related Financing Activities | 219,825.91       | (11,918.38)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 | -                | -             |
| Increase in Cash and Cash Equivalents                                       | 120,623.08       | 38,805.63     |
| Cash and Cash Equivalents, beginning  | 107,433.43       | 68,627.80     |
| Cash and Cash Equivalents, ending   | 228,056.51       | 107,433.43    |

Continued

**TOWN OF CLINTON, LOUISIANA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

|   | Enterprise Funds    |                   |
|---|---------------------|-------------------|
|   | Utility             |                   |
|   | <u>2009</u>         | <u>2008</u>       |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>          |                     |                   |
| Operating loss  | \$ (221,012.71)     | \$ (102,203.16)   |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: |                     |                   |
| Depreciation  | 115,862.35          | 145,730.15        |
| (Increase) decrease in assets:  |                     |                   |
| prepaid expenses  | -                   | 450.00            |
| accounts receivable   | 13,938.17           | 18,735.43         |
| Increase (decrease) in liabilities:   |                     |                   |
| accounts payable  | (4,366.64)          | 10,896.81         |
| payroll related payables  | (481.36)            | (625.98)          |
| customer deposits   | (6,325.16)          | (7,499.35)        |
| Total Adjustments   | <u>118,627.36</u>   | <u>167,687.06</u> |
| Net Cash Provided by (Used for) Operating Activities  | <u>(102,385.35)</u> | <u>65,483.90</u>  |
| <b>CASH PRESENTATION OF STATEMENT OF NET ASSETS:</b>  |                     |                   |
| Current Assets: Cash and cash equivalents   | \$ 205,794.92       |                   |
| Restricted Assets: Cash and cash equivalents  | <u>22,261.59</u>    |                   |
| Cash and Cash Equivalents, end of year  | <u>228,056.51</u>   |                   |

See Accompanying Notes and Auditors' Report

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## NOTES TO FINANCIAL STATEMENTS

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**TOWN OF CLINTON, LOUISIANA**  
**INDEX TO NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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**INTRODUCTION**

The Town of Clinton, Louisiana (hereafter referred to as the Town) was incorporated on March 9, 1852, under the provisions of the Special Charter Act 120 of 1852. The Town operates under a Mayor-Board of Alderperson form of government. The charter was amended in 1996 to allow larger fines to be assessed by the Mayor's court. It was also amended in 2003 to recognize duties and authority within the Police Department where the charter previously recognized a Town Marshal. This was done to be consistent with the creation of a Police Department in 1993.

The citizens of the Town elect the Mayor and five Alderpersons at large every four years. They are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. The Town provides fire and police protection, street maintenance, gas, water and sewer services.

The Town is situated in the northwest part of East Feliciana Parish. It is approximately 2.0 square miles in size with a population of approximately 2,000 persons. Within the boundaries are approximately 15 miles of roads maintained by the Town. It is currently servicing more than 900 customers through its utility department and employs 23 persons including reserve officers.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting practice of the Town conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, parish school board, and other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements.

These units of government are considered separate reporting entities and issue financial statements separate from those of the Town.

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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**Government-Wide Accounting:** In accordance with Statement No. 34 of the Government Accounting Standards Board, the Town has presented a Statement of Net Assets and Statement of Activities for the Town as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

*Eliminating Internal Activity*

Inter-fund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

*Application of FASB Statements and Interpretations*

Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

*Capitalizing Assets*

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively back to 1982, during implementation of Statement No. 34. The Town opted not to retroactively report these types of capital assets.

*Program Revenues*

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

---

for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

*Direct/Indirect Expenses*

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

*Operating Revenues*

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing water, gas and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

*Restricted Net Assets*

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

**Fund Accounting:** The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – the general operating fund of the Town accounting for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise Funds – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Basis of Accounting/Measurement Focus:** Its type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. Non-exchange transactions such as property taxes and grants are recognized in the year for which the taxes were levied or when the eligibility requirements are met. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Town considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

**Budgets and Budgetary Accounting:** The Town adopts an annual budget for all of its funds prepared in accordance with the basis of accounting utilized by that fund. The Board of Alderpersons must approve any revisions that alter the total expenditures and are passed on an as-needed basis. A balanced budget is required.

**Cash and Cash Equivalents:** Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Investments:** Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Town had two certificates of deposit with maturities extending beyond ninety days held in its Sales Tax Fund for which the cost and market value both amounted to \$89,622.76 at December 31, 2009.

**Restricted Assets:** Certain cash and investments are classified as restricted because law or donor restriction limits their use. Components of these at December 31, 2009, are as follows:

|                       | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |
|-----------------------|------------------------------------|-------------------------------------|
| Demand deposits       |                                    |                                     |
| Customer deposits     | \$ .00                             | \$ 22,261.59                        |
| Streets and sidewalks | 109,545.77                         | .00                                 |
| Time deposits         |                                    |                                     |
| Streets and sidewalks | <u>89,622.76</u>                   | <u>.00</u>                          |
| Total                 | <u>199,168.53</u>                  | <u>22,261.59</u>                    |

**Prepaid Expenses:** Insurance policies paid for future coverage are shown in the accompanying financial statements as prepaid expenses totaling \$1,849 at December 31, 2009.

**Capital Assets:** The Town's assets are recorded at historical cost. Contributed assets, if any, are reported at estimated fair value at the time of the donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

|                  |            |                |             |
|------------------|------------|----------------|-------------|
| Buildings        | 40 years   | Vehicles       | 7-10 years  |
| Equipment        | 4-10 years | Infrastructure | 20-50 years |
| Office furniture | 5-7 years  |                |             |

The Town's capitalization policy includes adding all assets with a value of \$1,000 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period and tracking is desired such as is the case with weapons or radio equipment.

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 that requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Town has elected to not

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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report its governmental infrastructure retroactively. From this point forward, the basic approach will be used to report governmental activities infrastructure.

**Compensated Absences:** The Town does not have any compensated absences to report.

**Long-Term Obligations:** In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**Net Assets/Fund Balances:** In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

*Invested in Capital Assets, Net of Related Debt*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets*

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

*Unrestricted Net Assets*

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Reserved*

These resources are segregated because their use is earmarked for a specific use.

*Unreserved*

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

**Inter-fund Transactions:** All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

**Sales Taxes:** The East Feliciana Parish Police Jury levies a 5% sales tax. After deducting solid waste, school board and collection fees from the gross received, the Town receives 12.4021% of the balance. Sales taxes are dedicated for street maintenance and improvements.

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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**Property Taxes:** Ad valorem taxes authorized and levied for the year were 6.66 mills. These funds are received by the general fund and are not dedicated. Total assessed value of property within the Town is \$8,387,730.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The cash and cash equivalents on hand (book balances) at December 31, 2009, are as follows:

|                 | <u>Governmental</u><br><u>Activities</u> | <u>Business-type</u><br><u>Activities</u> |
|-----------------|--|---|
| Petty cash      | \$ 100.00                                | \$ .00                                    |
| Demand deposits | <u>307,187.58</u>                        | <u>228,056.51</u>                         |
| Total           | <u>307,287.58</u>                        | <u>228,056.51</u>                         |

Of these amounts, \$109,545.77 and \$22,261.59 is restricted for governmental and business-type activities, respectively.

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2009, the Town had \$534,755 in deposits (collected balances). These funds are secured through the Federal Deposit Insurance Corporation (FDIC) and collateral pledged by participating banks.

**TOWN OF CLINTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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**NOTE 3 – RECEIVABLES**

The following is a summary of receivables at December 31, 2009:

| <u>Class</u>                             | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Enterprise<br/>Fund</u> | <u>Total</u>      |
|--|-------------------------|-------------------------------------|----------------------------|-------------------|
| Accounts                                 | \$ .00                  | \$ .00                              | \$ 125,137.86              | \$ 125,137.86     |
| Taxes:                                   |                         |                                     |                            |                   |
| Franchise                                | 29,758.34               | .00                                 | .00                        | 29,758.34         |
| Property                                 | 29,128.48               | .00                                 | .00                        | 29,128.48         |
| Sales                                    | 22,628.31               | 24,130.85                           | .00                        | 46,759.16         |
| Accrued interest                         | .00                     | 629.51                              | .00                        | 629.51            |
| Sub-total                                | 81,515.13               | 24,760.36                           | 125,137.86                 | 231,413.35        |
| Less: Allowance for<br>doubtful accounts | .00                     | .00                                 | 12,944.36                  | 12,944.36         |
| Net                                      | <u>81,515.13</u>        | <u>24,760.36</u>                    | <u>112,193.50</u>          | <u>218,468.99</u> |

Utility meters are read between the 18<sup>th</sup> and 25<sup>th</sup> of each month and bills are computed and mailed by the last day of the month. The amount of gas and water used from the date the meter is read until the end of the month is an unbilled receivable in the Enterprise Fund. At December 31, 2009, unbilled receivables were \$40,473.84. This amount is included in the table above.

An allowance for doubtful accounts is determined by a percentage based on prior years' experience. At December 31, 2009, the allowance was estimated to be \$12,944.36 in the Enterprise Fund.



**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2006, was as follows:

|  | Beginning<br>Balance | Additions   | Deductions | Ending<br>Balance |
|--|----------------------|-------------|------------|-------------------|
| <b>Governmental Activities</b>               |                      |             |            |                   |
| Capital Assets, not being depreciated        |                      |             |            |                   |
| Land   | \$ 1,000.00          | \$ .00      | \$ .00     | \$ 1,000.00       |
| Capital Assets, being depreciated            |                      |             |            |                   |
| Buildings and improvements                   | 236,283.71           | .00         | .00        | 236,283.71        |
| Less: accumulated depreciation               | 84,988.20            | 5,033.00    | .00        | 90,021.20         |
| Net Building and Improvements                | 151,295.51           | (5,033.00)  | .00        | 146,262.51        |
| Infrastructure                               | 1,558,108.54         | .00         | .00        | 1,558,108.54      |
| Less: accumulated depreciation               | 261,272.75           | 45,742.31   | .00        | 307,015.06        |
| Net Sidewalks/Drainage                       | 1,296,835.79         | (45,742.31) | .00        | 1,251,093.48      |
| Equipment                                    | 249,611.39           | .00         | .00        | 249,611.39        |
| Less: accumulated depreciation               | 186,823.10           | 17,022.06   | .00        | 203,845.16        |
| Net Equipment                                | 62,788.29            | (17,022.06) | .00        | 45,766.23         |
| Office furniture                             | 2,009.25             | .00         | .00        | 2,009.25          |
| Less: accumulated depreciation               | 1,814.17             | 154.76      | .00        | 1,968.93          |
| Net Office Furniture                         | 195.08               | (154.76)    | .00        | 40.32             |
| Vehicles                                     | 274,942.95           | 34,649.00   | 6,651.62   | 302,940.33        |
| Less: accumulated depreciation               | 218,977.43           | 11,606.90   | 6,651.62   | 223,932.71        |
| Net Vehicles                                 | 55,965.52            | (23,042.10) | .00        | 79,007.62         |
| Total Capital Assets, being depreciated, net | 1,567,080.19         | (44,910.03) | .00        | 1,522,170.16      |
| Capital Assets, net                          | 1,568,080.19         | (44,910.03) | .00        | 1,523,170.16      |
| <b>Business-type Activities</b>              |                      |             |            |                   |
| Capital Assets, not being depreciated        |                      |             |            |                   |
| Land   | 11,970.00            | .00         | .00        | 11,970.00         |
| Capital Assets, being depreciated            |                      |             |            |                   |
| Buildings and improvements                   | 150,545.70           | .00         | .00        | 150,545.70        |
| Less: accumulated depreciation               | 44,261.83            | 4,482.90    | .00        | 48,744.73         |
| Net Building and Improvements                | 106,283.87           | (4,482.90)  | .00        | 101,800.97        |

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

|  | Beginning<br>Balance    | Additions               | Deductions     | Ending<br>Balance       |
|--|-------------------------|-------------------------|----------------|-------------------------|
| Equipment  | \$ 74,933.56            | \$ .00                  | \$ .00         | \$ 74,933.56            |
| Less: accumulated depreciation                   | <u>52,680.80</u>        | <u>5,443.23</u>         | <u>.00</u>     | <u>58,124.03</u>        |
| Net Equipment                                    | 22,252.76               | (5,443.23)              | .00            | 16,809.53               |
| <br>Vehicles                                     | <br>23,808.50           | <br>.00                 | <br>.00        | <br>23,808.50           |
| Less: accumulated depreciation                   | <u>17,860.42</u>        | <u>1,843.92</u>         | <u>.00</u>     | <u>19,704.34</u>        |
| Net Vehicles                                     | 5,948.08                | (1,843.92)              | .00            | 4,104.16                |
| <br>Gas system                                   | <br>1,629,985.52        | <br>.00                 | <br>.00        | <br>1,629,985.52        |
| Less: accumulated depreciation                   | <u>909,303.54</u>       | <u>39,750.01</u>        | <u>.00</u>     | <u>949,053.55</u>       |
| Net Gas System                                   | 720,681.98              | (39,750.01)             | .00            | 680,931.97              |
| <br>Water system                                 | <br>976,112.56          | <br>.00                 | <br>.00        | <br>976,112.56          |
| Less: accumulated depreciation                   | <u>243,017.87</u>       | <u>24,467.85</u>        | <u>.00</u>     | <u>267,485.72</u>       |
| Net Water System                                 | 733,094.69              | (24,467.85)             | .00            | 708,626.84              |
| <br>Sewer system                                 | <br>2,123,550.20        | <br>.00                 | <br>.00        | <br>2,123,550.20        |
| Less: accumulated depreciation                   | <u>1,592,122.08</u>     | <u>39,874.44</u>        | <u>.00</u>     | <u>1,631,996.52</u>     |
| Net Sewer System                                 | 531,428.12              | (39,874.44)             | .00            | 491,553.68              |
| <br>Total Capital Assets, being depreciated, net | <br><u>2,119,689.50</u> | <br><u>(115,862.35)</u> | <br><u>.00</u> | <br><u>2,003,827.15</u> |
| Capital Assets, net                              | <u>2,131,659.50</u>     | <u>(115,862.35)</u>     | <u>.00</u>     | <u>2,015,797.15</u>     |

Depreciation expense was charged to governmental functions as follows:

|                    |                      |
|--------------------|----------------------|
| General government | \$ 2,683.17          |
| Public safety      | 16,893.99            |
| Public works       | <u>59,981.87</u>     |
| <br>Total          | <br><u>79,559.03</u> |

**NOTE 5 – INTERGOVERNMENTAL RECEIVABLES/PAYABLES**

Amounts due from other governmental agencies are as follows:

|                     |                    |
|---------------------|--------------------|
| <i>General Fund</i> |                    |
| Beer tax            | <u>\$ 1,292.75</u> |

**TOWN OF CLINTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

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**NOTE 6 – INTER-FUND TRANSACTIONS**

Amounts receivable and payable between funds at December 31, 2009, are as follows:

|                       | <u>Receivable</u> | <u>Payable</u>    |
|-----------------------|-------------------|-------------------|
| General Fund          | \$ 72.41          | \$ 116,213.41     |
| Special Revenue Funds | 117,590.55        | .00               |
| Enterprise Fund       | <u>.00</u>        | <u>1,449.55</u>   |
| Total                 | <u>117,662.96</u> | <u>117,662.96</u> |

These amounts represent loans made between funds for cash flow purposes. Currently, the General Fund makes monthly payments to the Sales Tax Fund based on a plan to return these dedicated funds.

**NOTE 7 – ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at December 31, 2009:

|                   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>     |
|-------------------|------------------------------------|-------------------------------------|------------------|
| Accounts          | \$ 14,387.97                       | \$ 49,889.30                        | \$ 64,277.27     |
| Payroll related   | 1,716.08                           | 948.85                              | 2,664.93         |
| Customer deposits | <u>.00</u>                         | <u>22,261.59</u>                    | <u>22,261.59</u> |
| Total             | <u>16,104.05</u>                   | <u>73,099.74</u>                    | <u>89,203.79</u> |

**NOTE 8 – RETIREMENT SYSTEM**

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Municipal Employees Retirement System of Louisiana (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials

**TOWN OF CLINTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 6.75% of annual covered payroll. The contribution requirements of plan members and the Town were established and may be amended by state statute. As provided by La. Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System under Plan A for the years ended December 31, 2009, 2008 and 2007, were \$13,793.18, \$12,134.71 and \$14,254.70, respectively, equal to the required contributions for each year.

**B. Municipal Police Employees Retirement System of Louisiana (System)**

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least twelve years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year over 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their DATE of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained in writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

**TOWN OF CLINTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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*Funding Policy.* Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. At January 1, 2003, the Town's portion was 9.0% of covered payroll. The rate increased to 15.25% on July 1, 2003, and currently it is at 21.5% of covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Town's contributions to the System for the years ended December 31, 2009, 2008 and 2007, were \$8,976.87, \$8,078.68 and \$16,932.07, respectively, equal to the required contributions for those years.

**NOTE 9 – LEVIED TAXES**

Property tax notices are mailed during November for the current year. Taxes become delinquent after December 31<sup>st</sup>. The Town receives its property taxes through the East Feliciana Parish Police Jury who is responsible for collections.

Total assessed value of real property is \$8,387,730. The principal taxpayers for the town are:

| <u>Taxpayer</u>              | <u>Assessed Value</u> | <u>Percentage</u> |
|------------------------------|-----------------------|-------------------|
| Feliciana Bank & Trust Co.   | \$ 7,459,120          | 17.40%            |
| Wiltel Communications        | 733,220               | 8.74%             |
| Landmark Bank                | 686,900               | 8.19%             |
| Bellsouth Telecommunications | 370,680               | 4.42%             |
| Pac Tec                      | 242,660               | 2.89%             |
| Entergy/Gulf States          | 87,550                | 1.04%             |
| Billy Joe & Joan B. Buzbee   | 83,550                | 1.00%             |
| AMG, LLC                     | 79,740                | .95%              |
| C.M.A. Ltd. Partnership      | 63,910                | .76%              |
| CPA Ltd. Partnership         | 63,270                | .75%              |

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

The Town does not offer post-employment benefits to employees upon termination.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure.

**TOWN OF CLINTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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**NOTE 12 – LITIGATION AND CLAIMS**

There are currently four suits filed against the Town, none of which have been determined to have potential exposure beyond the Town's insurance coverage.

**NOTE 13 – SUBSEQUENT EVENTS**

There were no events subsequent to year-end and prior to the issuance of this report that would have a significant impact on the accompanying financial statements.

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 2 OF 2)**

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**TOWN OF CLINTON, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2009**

|                             | General Fund     |                |                |                                  | Streets and Sidewalks |                |                |                                  |
|-----------------------------|------------------|----------------|----------------|----------------------------------|-----------------------|----------------|----------------|----------------------------------|
|                             | Budgeted Amounts |                | Actual Amounts | Variance Favorable (Unfavorable) | Budgeted Amounts      |                | Actual Amounts | Variance Favorable (Unfavorable) |
|                             | Original         | Final          |                |                                  | Original              | Final          |                |                                  |
| <b><u>REVENUES</u></b>      |                  |                |                |                                  |                       |                |                |                                  |
| Fines and other court costs | \$ 68,175        | \$ 68,175      | \$ 41,803      | \$ (26,372)                      | \$ -                  | \$ -           | \$ -           | \$ -                             |
| Franchise fees              | 100,000          | 100,000        | 99,079         | (921)                            | -                     | -              | -              | -                                |
| Grant and donations         | 27,855           | 27,855         | 67,060         | 39,205                           | 20,000                | 20,000         | 34,258         | 14,258                           |
| Interest earned             | 300              | 300            | 186            | (114)                            | -                     | -              | 3,109          | 3,109                            |
| Intergovernmental           | 1,000            | 1,000          | 251            | (749)                            | -                     | -              | 2,200          | 2,200                            |
| Licenses and permits        | 120,000          | 120,000        | 114,715        | (5,285)                          | -                     | -              | -              | -                                |
| Motor vehicle fees          | 16,000           | 16,000         | 15,320         | (680)                            | -                     | -              | -              | -                                |
| Other revenues              | 7,000            | 7,000          | 28,241         | 21,241                           | 2,500                 | 2,500          | -              | (2,500)                          |
| Taxes-beer                  | 4,500            | 4,500          | 4,732          | 232                              | -                     | -              | -              | -                                |
| Taxes-property              | 200,000          | 200,000        | 205,280        | 5,280                            | -                     | -              | -              | -                                |
| Taxes-sales                 | 125,000          | 125,000        | 126,862        | 1,862                            | 177,511               | 177,511        | 156,853        | (20,658)                         |
| <b>Total Revenues</b>       | <b>669,830</b>   | <b>669,830</b> | <b>703,529</b> | <b>33,699</b>                    | <b>200,011</b>        | <b>200,011</b> | <b>196,419</b> | <b>(3,592)</b>                   |
| <b><u>EXPENDITURES</u></b>  |                  |                |                |                                  |                       |                |                |                                  |
| General government          | 164,465          | 164,465        | 156,352        | 8,113                            | -                     | -              | -              | -                                |
| Public safety:              |                  |                |                |                                  |                       |                |                |                                  |
| Police                      | 447,618          | 447,618        | 439,021        | 8,597                            | -                     | -              | -              | -                                |
| Fire                        | 1,800            | 1,800          | 1,650          | 150                              | -                     | -              | -              | -                                |

Continued



**TOWN OF CLINTON, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2009**

|                          | General Fund     |         |                   |  | Streets and Sidewalks |            |                   |  |
|--------------------------|------------------|---------|-------------------|--|-----------------------|------------|-------------------|--|
|                          | Budgeted Amounts |         | Actual<br>Amounts | Variance<br>Favorable<br>(Unfavorable) | Budgeted Amounts      |            | Actual<br>Amounts | Variance<br>Favorable<br>(Unfavorable) |
|                          | Original         | Final   |                   |  | Original              | Final      |                   |  |
| Public works             | \$ -             | \$ -    | \$ -              | \$ -                                   | \$ 154,106            | \$ 154,106 | \$ 133,811        | \$ 20,295                              |
| Capital outlay           | 25,000           | 25,000  | 34,649            | (9,649)                                | 19,000                | 19,000     | -                 | 19,000                                 |
| Debt service:            |                  |         |                   |  |                       |            |                   |  |
| Principal                | 11,000           | 11,000  | -                 | 11,000                                 | -                     | -          | -                 | -                                      |
| Interest                 | 1,000            | 1,000   | -                 | 1,000                                  | -                     | -          | -                 | -                                      |
| Total Expenditures       | 650,883          | 650,883 | 631,671           | 19,212                                 | 173,106               | 173,106    | 133,811           | 39,295                                 |
| Change in Fund Balances  | 18,947           | 18,947  | 71,858            | 52,911                                 | 26,905                | 26,905     | 62,608            | 35,703                                 |
| Fund Balances, beginning | 90,494           | 90,494  | 90,494            | -                                      | 273,755               | 273,755    | 273,755           | -                                      |
| Fund Balances, ending    | 109,441          | 109,441 | 162,352           | 52,911                                 | 300,660               | 300,660    | 336,363           | 35,703                                 |

See Auditors' Report

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## **SUPPLEMENTAL INFORMATION**

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**MARY SUE STAGES, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Don H. Reason, Mayor  
and Members of the Board of Alderpersons  
Town of Clinton, Louisiana  
P. O. Box 513  
Clinton, Louisiana 70722

We have audited the basic financial statements of the governmental activities, business-type activities, major funds and the aggregate remaining fund information of the Town of Clinton, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon May 6, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Clinton, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clinton, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Clinton, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the governmental agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

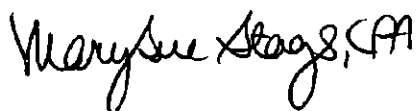
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Clinton, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
May 6, 2010

**TOWN OF CLINTON, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS  
YEARS ENDED DECEMBER 31, 2009**

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The schedule of compensation paid to governing members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

**Mayor**

|            |             |
|------------|-------------|
| Don Reason | \$ 5,100.00 |
|------------|-------------|

**Board Members**

|                       |                      |
|-----------------------|----------------------|
| Johnny Beauchamp      | 1,560.00             |
| Lori Ann Bell         | 1,560.00             |
| George Kilbourne      | 1,560.00             |
| Clovis Matthews       | 1,560.00             |
| Lisa Davis Washington | <u>1,560.00</u>      |
| <br>Total Paid        | <br><u>12,900.00</u> |

See Auditors' Report

**TOWN OF CLINTON, LOUISIANA**  
**COMPARATIVE SCHEDULES OF OPERATING EXPENSES**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

|   | <u>2009</u>   | <u>2008</u>   |
|---|---------------|---------------|
| <b><u>PERSONAL SERVICES</u></b>             |               |               |
| Gas purchases                               | \$ 182,370.81 | \$ 293,718.63 |
| Sewer/wastewater system expense             | 95,558.54     | 80,000.81     |
| Water system expense                        | 229,297.17    | 46,621.38     |
| Gas system expense                          | 15,198.91     | 26,103.29     |
| Auto expense                                | 15,280.45     | 22,059.64     |
| Repairs and materials                       | 13,919.69     | 50,388.97     |
| Safety inspection fees                      | 716.80        | 716.80        |
| Pumpage fees                                | 419.80        | 366.35        |
| Total Personal Services                     | 552,762.17    | 519,975.87    |
| <b><u>EMPLOYEE AND RELATED EXPENSES</u></b> |               |               |
| Salaries                                    | 192,343.00    | 161,242.76    |
| Health insurance                            | 29,799.31     | 22,139.60     |
| Payroll taxes                               | 14,269.00     | 12,058.23     |
| Retirement                                  | 10,532.12     | 8,403.32      |
| Training/seminars/travel                    | 2,940.00      | 1,541.28      |
| Uniforms                                    | 4,731.83      | 4,478.18      |
| Drug testing                                | 832.25        | 396.00        |
| Total Employee and Related Expenses         | 255,447.51    | 210,259.37    |
| <b><u>OCCUPANCY</u></b>                     |               |               |
| Insurance                                   | 29,102.97     | 31,005.20     |
| Telephone                                   | 2,205.74      | 1,884.02      |
| Utilities                                   | 1,796.64      | 1,950.63      |
| Total Occupancy                             | 33,105.35     | 34,839.85     |
| <b><u>ADMINISTRATIVE</u></b>                |               |               |
| Office expense                              | 6,742.34      | 4,040.36      |
| Dues and subscriptions                      | 1,275.00      | 1,380.00      |
| Professional fees                           | 13,271.59     | 14,579.94     |
| Other expenses                              | -             | 351.60        |
| Total Administrative                        | 21,288.93     | 20,351.90     |

Continued

**TOWN OF CLINTON, LOUISIANA**  
**COMPARATIVE SCHEDULES OF OPERATING EXPENSES (Continued)**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

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|                                 | <u>2009</u>       | <u>2008</u>       |
|---------------------------------|-------------------|-------------------|
| <u>DEPRECIATION</u>             |                   |                   |
| Depreciation - gas              | \$ 39,750.01      | \$ 39,750.05      |
| Depreciation - water            | 24,467.85         | 24,467.85         |
| Depreciation - sewer            | 39,874.44         | 68,140.28         |
| Depreciation - other            | 11,770.05         | 13,371.97         |
|                                 | <hr/>             | <hr/>             |
| Total Depreciation              | 115,862.35        | 145,730.15        |
|                                 | <hr/>             | <hr/>             |
| <b>TOTAL OPERATING EXPENSES</b> | <u>978,466.31</u> | <u>931,157.14</u> |

See Auditors' Report

**TOWN OF CLINTON, LOUISIANA  
SCHEUDLE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2009**

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We have audited the financial statements of the Town of Clinton, Louisiana as of and for the year ended December 31, 2009, and have issued our report thereon dated May 6, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of and for the year ended December 31, 2009, resulted in an unqualified opinion.

**Section I      Summary of Auditors' Reports**

1.    Report on Compliance and Internal Control Material to the Financial Statements

|                  |                         |      |
|------------------|-------------------------|------|
| Internal Control | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |
| Compliance       | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |

2.    Federal Awards

|                  |                         |      |
|------------------|-------------------------|------|
| Internal Control | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |
| Compliance       | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |

**Section II      Financial Statement Findings**

N/A

**Section III     Federal Award Findings and Questioned Costs**

N/A



**TOWN OF CLINTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2009**

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**Section I      Compliance and Internal Control Material to the Financial Statements**

2008-1 Tickets/Citation

*Criteria.* The Town of Clinton, La.'s management is responsible for establishing and monitoring a strong internal control system that safeguards its assets and ensures proper reporting. A strong internal control system is one that reduces to an acceptable level of risk the incidents that misstatements in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

*Recommendation.* To adopt policies and procedures as outlined in the Legislative Auditor's report regarding tickets/citations

*Disposition.* Resolved

**Section II      Compliance and Internal Control Material to Federal Awards**

N/A

**Section III    Management Letter**

M2007-01 Tickets Dismissed/Fees Waived

*Criteria.* It appeared that an excessive number of tickets were either dismissed or fees waived outside of open court. The policies and procedures that had been implemented in prior years were no longer followed thus hindering the controls over tickets/citations.

*Recommendation.* To adopt a policy to address procedures related to tickets

*Disposition.* Resolved

**TOWN OF CLINTON, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2009**

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**Section I      Compliance and Internal Control Material to the Financial Statements**

N/A

**Section II      Compliance and Internal Control Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A